

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Sara L. Hensley
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 09-06-05

Approved



Date

9/12/05

Council District: Citywide

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE PARKS AND RECREATION BOND PROJECTS FUND FOR THE EMMA PRUSCH MEMORIAL PARK PROJECT

REASON FOR ADDENDUM

In order to meet commitments to the community and maintain the schedule for this project, staff requests Council approval at its September 13, 2005 meeting.

RECOMMENDATION

- a) Report on bids and award of contract for the Emma Prusch Park Project to the low bidder, Robert A. Bothman, Inc., in the amount of \$1,179,282, and approval of a contingency in the amount of \$117,928.
- b) Adoption of the following Appropriation Ordinance amendments in the Parks and Recreation Bond Projects Fund:
 - 1. Increase the Emma Prusch Memorial Park Project by \$150,000;
 - 2. Decrease the Contingency Reserve by \$150,000.

CEQA: Exempt, PP02-04-072.

BACKGROUND

Emma Prusch Park is an existing 47-acre Regional Park in Council District 5 located in northeast San José. The park is bordered by Highway 101 to the west, State Route 280 to the north, King Road to the east and Story Road to the south (map attached).

The Safe Neighborhood Parks and Recreation Bond Program provides funding for the renovation of parks and recreation facilities throughout the City. The proposed improvements to Emma Prusch Park include a new child-aged play area, an 'heirloom' vegetable garden, arbor area, realignment of Knox Avenue to incorporate additional area as part of the park, expansion of the main parking lot on King Road, renovation of the William and Ethel Prusch Jr. Multi-Cultural Center parking lot, creation of an overflow parking area and additional security lighting. The park improvements are identified in the 1994 Emma Prusch Park Master Plan Update.

Construction is scheduled to begin in October 2005 with completion in May 2006.

ANALYSIS

Bids were opened on July 21, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
ESR Construction (San José)	\$1,335,000	\$270,000	25
Golden Bay Construction (San Carlos)	1,319,025	254,025	24
HRB Construction (Fremont)	1,287,577	222,577	21
Robert A. Bothman, Inc. (San José)	1,179,282	114,282	11
Engineer's Estimate	1,065,000	---	---

The low bid submitted by Robert A. Bothman, Inc., is 11 percent above the Engineer's Estimate. The low bid is considered reasonable for the project.

Plans for the project were prepared in FY 2002-2003 and it was originally scheduled for award in April 2003, but the contract award was deferred to August 2005 due to operation and maintenance budget constraints. Deferral of the project has contributed to increased project costs due to escalation of construction costs, increases in staff labor costs, and the additional costs to update the bid documents. These additional costs were not included in the original budget for the project.

The project is funded by the Parks and Recreation Bond Fund. Staff recommends that the additional funds required to award the contract and to support staff work through completion be appropriated from the Parks and Recreation Bond Projects Fund Contingency Reserve. The Reserve is comprised of savings from projects that have been completed in prior fiscal years and interest earnings on bond proceeds. It is recommended that a portion of these Contingency Reserve funds be allocated to complete the original scope of work for the Emma Prusch Project.

Council policy provides for a standard construction contingency of five percent on Public Works park projects. In this case, staff recommends a ten percent contingency due to the potential for unknown subsurface conditions associated with the Knox Avenue realignment.

OUTCOME

Approval of this construction contract will enable the Emma Prusch Project to be implemented with scheduled completion in May 2006. Approval of the ten percent contingency will provide funding for unforeseen conditions during project construction.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office and the Departments of Planning, Building and Code Enforcement and General Services.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,179,282

2. COST OF PROJECT:

Project Delivery	\$689,000
Construction	1,179,282
Contingency	<u>117,928</u>
TOTAL PROJECT COSTS	\$1,986,210

Prior Year Expenditures	(463,831)
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REMAINING PROJECT COSTS	\$ 1,522,379
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3. SOURCE OF FUNDING: 471 – Parks and Recreation Bond Projects Fund

4. **FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and were estimated to be approximately \$450,000 annually, beginning in May 2006. Because this project was accelerated, this cost will be considered in the development of the 2006-2007 Operating Budget.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2005-2006 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,522,379			
Current Funding Available						
471	6917	Emma Prusch Memorial Park*	\$1,345,000	\$1,179,282	V-763	MBA#60 6/21/05**
Total Current Funding Available			\$1,345,000	\$1,179,282		
Additional Funding Recommended						
471	6917	Emma Prusch Memorial Park*	\$150,000***			
Total Funding for Remaining Project Costs			\$1,495,000*			

*An additional \$28,000 is budgeted in the Parks and Recreation Bond Fund in 2006-2007 for project costs.

** The 2005-06 Adopted Capital Budget for this Project includes a \$63,000 rebudget that was approved by Council on June 21, 2005.

***This memorandum includes an appropriation action recommendation to allocate \$150,000 of the existing \$7.2 million Parks and Recreation Bond Projects Contingency Reserve in order to provide sufficient funding to complete this project.

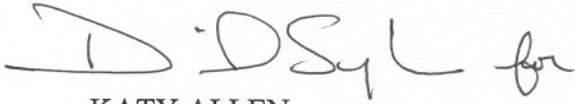
HONORABLE MAYOR AND CITY COUNCIL

09-06-05

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CEQA

Exempt, PP02-04-072.



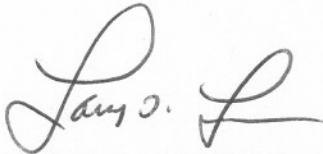
KATY ALLEN

Director, Public Works Department



SARA L. HENSLEY

Director, Parks, Recreation and
Neighborhood Services



LARRY D. LISENBEE

Budget Director

KJ:bb:rc

Attachment

Emma Prusch_award memo

